



WILLIAM F. WELD
GOVERNOR

ARGEO PAUL CELLUCCI
LIEUTENANT GOVERNOR

COMMONWEALTH OF MASSACHUSETTS

DIVISION OF INSURANCE

470 Atlantic Avenue • Boston, MA 02210-2223
(617) 521-7794 • FAX (617) 521-7770
TTY /TDD (617) 521-7490

LINDA RUTHARDT
COMMISSIONER

Bulletin 97-05

To: All commercial carriers, Blue Cross and Blue Shield of Massachusetts (BCBSMA) and Health Maintenance Organizations (HMOs)

From: Commissioner Linda Ruthardt

RE: The Small Group Continuation of Coverage Law

Date: May 22, 1997

1) Notices Issued Pursuant to the Small Group Continuation of Coverage Law

M.G.L. c. 176J, § 9(j)(5) indicates that commercial carriers, BCBSMA and HMOs may require a small businesses or intermediary to issue all notices required to be provided to qualified beneficiaries under M.G.L.c. 176J, § 9(j). If a commercial carrier, BCBSMA or HMO requests a small business or intermediary to issue notices to qualified beneficiaries pursuant to M.G.L. c. 176J, § 9(j)(5) the following is required:

(1) The small business or intermediary must be notified in writing that it is required to issue the notices. Such written notification should include the name and telephone number of a contact person at the carrier, BCBSMA or HMO who is familiar with both the small group continuation of coverage law and the procedures such carrier, BCBSMA or HMO has for implementing the small group continuation of coverage law.

(2) Carriers, BCBSMA and HMOs must provide the small business or intermediary with the form and content of the language required to be contained in any notice it is requiring the small business or intermediary to issue.

2) Payment of Premium for Continuation of Coverage under the Small Group Law

If a carrier, BCBSMA or HMO requires that payment of premium for all continuation of coverage be made indirectly through the small business or intermediary pursuant to M.G.L. c 176J. § 9(c), the carrier, BCBSMA or HMO shall not require the small business or intermediary to pay any premium on behalf of a qualified beneficiary prior to its receipt from the qualified beneficiary.

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